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Senate Unit Votes to Halt Moscow Chancery Funds

'Except ... to Demolish the Building'

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The Senate Appropriations Committee voted without dissent yesterday to halt all spending for the new U.S. Embassy chancery in Moscow "except as necessary to demolish the building."

The committee also voted to ban the Soviet Union from occupying its new chancery in Washington until the new U.S. chancery is ready for occupancy in Moscow. The vote included provisions that the Soviets "provide prompt and full reimbursement" for damages in connection with the Moscow construction.

The committee's action followed approval Wednesday by the Senate Select Committee on Intelligence of recommendations that the U.S. chancery be demolished and rebuilt because the Soviets have compromised U.S. security by implanting listening devices in the structure's floors and walls.

The funding ban, proposed by Sens. Ernest F. Hollings (D-S.C.) and Lawton Chiles (D-Fla.) in separate resolutions, was included in a \$9.3 billion supplemental appropriations bill that covers a wide variety of programs for the fiscal year ending Sept. 30.

A top-ranking State Department official told the Senate Foreign Relations Committee yesterday that the United States should not demolish its new chancery in Moscow, but should consider erecting a separate smaller office in which to conduct classified work alongside the new chancery.

Ronald I. Spiers, undersecretary of state for management, also strongly criticized the Marines for their involvement in security breaches at the Moscow embassy. Two Marines have been charged and a third arrested on suspicion of allowing Soviet agents to enter U.S. diplomatic compounds in Moscow

and Leningrad. All three men are suspected of having sexual relations with Soviet women who later persuaded them to participate in espionage activities.

"We never considered that we needed guards to guard the guards," Spiers told the committee.

Meanwhile, a Marine hearing officer yesterday began courtroom proceedings at Quantico Marine Base on the espionage charges against Cpl. Arnold Bracy, 21, of Queens, N.Y., who is accused of working with another U.S. Embassy guard in Moscow in the alleged espionage operation. The Article 32 hearing, the equivalent of a civilian grand jury hearing to determine whether there is enough evidence for a court martial, was recessed until May 19 at the request of defense attorneys who said they needed more time to prepare their case.

Bracy's civilian attorneys said in an interview after the hearing that Bracy had never had sexual relations with a Soviet woman believed to be a KGB agent and who investigators said seduced Bracy into cooperating with foreign agents.

George E. Hairston, one of the lawyers, said that when the woman telephoned Bracy in Moscow he "reported it promptly" to superiors. A statement by Bracy implicating the other security guard, Sgt. Clayton J. Lonetree, was "an involuntary statement" that he retracted "within minutes," Hairston added.

Marine Corps officials have declined to comment on the case.

In a related matter, the Senate Appropriations Committee yesterday abandoned a proposal requiring that only experienced Marine guards with a record of "untarnished service" in another security post be assigned to the Soviet Union or other communist-bloc countries. Committee members

said the Navy Secretary, James H. Webb Jr., had objected to the proposal, saying he would prefer that the problem be handled administratively rather than by legislation.

Attorney General Edwin Meese III said yesterday the Justice Department is investigating whether some State Department employees could be prosecuted under national security negligence laws in connection with the security breaches at U.S. diplomatic posts. Meese told a Senate Appropriations subcommittee, however, that the Justice Department is not conducting a full-scale criminal investigation of involvement of State Department personnel in the security breaches.

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